

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

SW-20494A
Global Water – Picacho Cove Utilities Company, Inc.
c/o Global Water
21410 N 19th Ave. Ste. 201
Phoenix, AZ 85027

RECEIVED
APR 13 2011
ACCUUTILITIES DIRECTOR

ANNUAL REPORT
Sewer

FOR YEAR ENDING

| | | |
|-----------|-----------|-------------|
| 12 | 31 | 2010 |
|-----------|-----------|-------------|

FOR COMMISSION USE

| | |
|--------------|-----------|
| ANN05 | 10 |
|--------------|-----------|

4-19-11

4-19-11

COMPANY INFORMATION

Company Name (Business Name) Global Water – Picacho Cove Utilities Company, Inc.

Mailing Address 21410 N. 19th Ave., Ste. 201

Phoenix AZ 85027
(City) (State) (Zip)

623-580-9600 623-580-9659 NA
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address graham.symmonds@gwresources.com

Local Office Mailing Address Same as above
(Street)

(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address

MANAGEMENT INFORMATION

☐ **Regulatory Contact:** Graham Symmonds

☐ **Management Contact:** Graham Symmonds CTO & SVP Regulatory Affairs & Compliance
(Name) (Title)

21410 N. 19th Ave. Ste. 210 Phoenix AZ 85027
(Street) (City) (State) (Zip)

623-580-9600 623-580-9659 602-615-4532
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address graham.symmonds@gwresources.com

On Site Manager: Ron Fleming, General Manager, Arizona
(Name)

22590 North Powers Parkway Maricopa AZ 85238
(Street) (City) (State) (Zip)

520-233-2910 520-568-6367 602-550-2717
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address ron.fleming@gwresources.com

| | | | |
|--|-----------------------------|------------------------------|--------------|
| Statutory Agent: <u>Andrew Abraham, Burch & Cracchiolo, PLC</u> | | | |
| (Name) | | | |
| <u>702 East Osborn, Ste. 200</u> | <u>Phoenix</u> | <u>AZ</u> | <u>85014</u> |
| (Street) | (City) | (State) | (Zip) |
| <u>602-274-7611</u> | <u>602-234-0341</u> | | |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code) | |
| Attorney: <u>Timothy J. Sabo, Roshka DeWulf & Patten, PLC</u> | | | |
| (Name) | | | |
| <u>400 E Van Buren, Ste. 800</u> | <u>Phoenix</u> | <u>AZ</u> | <u>85004</u> |
| (Street) | (City) | (State) | (Zip) |
| <u>602-256-6100</u> | <u>602-256-6800</u> | | |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code) | |
| Email Address <u>tsabo@rdp-law.com</u> | | | |

OWNERSHIP INFORMATION

Check the following box that applies to your company:

| | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

| | | |
|-------------------------------------|-----------------------------------|---|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input checked="" type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

| Acct. No. | DECRPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|--------------|--|--------------------------|-------------------------------------|--------------------------|
| 351 | Organization | 0 | 0 | 0 |
| 352 | Franchises | 0 | 0 | 0 |
| 353 | Land and Land Rights | 0 | 0 | 0 |
| 354 | Structures and Improvements | 0 | 0 | 0 |
| 355 | Power Generation Equipment | 0 | 0 | 0 |
| 360 | Collection Sewers – Force | 0 | 0 | 0 |
| 361 | Collection Sewers – Gravity | 0 | 0 | 0 |
| 362 | Special Collecting Structures | 0 | 0 | 0 |
| 363 | Services to Customers | 0 | 0 | 0 |
| 364 | Flow Measuring Devices | 0 | 0 | 0 |
| 365 | Flow Measuring Installations | 0 | 0 | 0 |
| 370 | Receiving Wells | 0 | 0 | 0 |
| 371 | Pumping Equipment | 0 | 0 | 0 |
| 374 | Reuse Distribution Reservoirs | 0 | 0 | 0 |
| 375 | Reuse Transmission and Distribution System | 0 | 0 | 0 |
| 380 | Treatment and Disposal Equip. | 0 | 0 | 0 |
| 381 | Plant Sewers | 0 | 0 | 0 |
| 382 | Outfall Sewer Lines | 0 | 0 | 0 |
| 389 | Other Plant and Misc. Equipment | 0 | 0 | 0 |
| 390 | Office Furniture and Equipment | 0 | 0 | 0 |
| 391 | Transportation Equipment | 0 | 0 | 0 |
| 393 | Tools, Shop and Garage Equip. | 0 | 0 | 0 |
| 394 | Laboratory Equipment | 0 | 0 | 0 |
| 395 | Power Operated Equipment | 0 | 0 | 0 |
| 396 | Communication Equipment | 0 | 0 | 0 |
| 397 | Miscellaneous Equipment | 0 | 0 | 0 |
| 398 | Other Tangible Plant | 0 | 0 | 0 |
| | TOTALS | \$ 0 | | \$ 0 |

CALCULATION OF DEPRECIATION EXPENSE

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|--------------|--|----------------------|-----------------------------------|-------------------------------|
| 351 | Organization | 0 | 0% | 0 |
| 352 | Franchises | 0 | 0% | 0 |
| 353 | Land and Land Rights | 0 | 0% | 0 |
| 354 | Structures and Improvements | 0 | 0% | 0 |
| 355 | Power Generation Equipment | 0 | 0% | 0 |
| 360 | Collection Sewers – Force | 0 | 0% | 0 |
| 361 | Collection Sewers – Gravity | 0 | 0% | 0 |
| 362 | Special Collecting Structures | 0 | 0% | 0 |
| 363 | Services to Customers | 0 | 0% | 0 |
| 364 | Flow Measuring Devices | 0 | 0% | 0 |
| 365 | Flow Measuring Installations | 0 | 0% | 0 |
| 370 | Receiving Wells | 0 | 0% | 0 |
| 371 | Pumping Equipment | 0 | 0% | 0 |
| 374 | Reuse Distribution Reservoirs | 0 | 0% | 0 |
| 375 | Reuse Transmission and Distribution System | 0 | 0% | 0 |
| 380 | Treatment and Disposal Equip. | 0 | 0% | 0 |
| 381 | Plant Sewers | 0 | 0% | 0 |
| 382 | Outfall Sewer Lines | 0 | 0% | 0 |
| 389 | Other Plant and Misc. Equipment | 0 | 0% | 0 |
| 390 | Office Furniture and Equipment | 0 | 0% | 0 |
| 391 | Transportation Equipment | 0 | 0% | 0 |
| 393 | Tools, Shop and Garage Equip. | 0 | 0% | 0 |
| 394 | Laboratory Equipment | 0 | 0% | 0 |
| 395 | Power Operated Equipment | 0 | 0% | 0 |
| 396 | Communication Equipment | 0 | 0% | 0 |
| 397 | Miscellaneous Equipment | 0 | 0% | 0 |
| 398 | Other Tangible Plant | 0 | 0% | 0 |
| | TOTALS | \$ 0 | | \$ 0 |

BALANCE SHEET

| Acct No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|----------|--|------------------------------|------------------------|
| | ASSETS | | |
| | | | |
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash and cash equivalents | \$ 0 | \$ 0 |
| 132 | Special Deposits | 0 | 0 |
| 134 | Working Funds | 0 | 0 |
| 135 | Temporary Cash Investments | 0 | 0 |
| 141 | Customer Accounts Receivable | 0 | 0 |
| 143 | Accumulated Provision for Uncollectible Accounts | 0 | 0 |
| 151 | Plant Material and Supplies | 0 | 0 |
| 162 | Prepayments | 0 | 0 |
| 174 | Miscellaneous Current and Accrued Assets | 0 | 0 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 0 | \$ 0 |
| | | | |
| | FIXED ASSETS | | |
| 101 | Utility plant in service (All) | \$ 0 | \$ 0 |
| 103 | Property Held for Future Use | 0 | 0 |
| 105 | Construction Work-in-Progress | 250,917 | 251,178 |
| 108 | Accumulated Depreciation - Utility Plant | 0 | 0 |
| 121 | Non-Utility Property | 0 | 0 |
| 122 | Accumulated Depreciation - Non Utility | 0 | 0 |
| | TOTAL FIXED ASSETS | \$ 250,917 | \$ 251,178 |
| | | | |
| | OTHER ASSETS | | |
| 114 | Utility Plant Acquisition Adjustments | \$ 0 | \$ 0 |
| 181 | Unamortized Debt Discount & Expense | 0 | 0 |
| 190 | Accumulated Deferred Income Taxes | 17 | 193,649 |
| | TOTAL OTHER ASSETS | \$ 17 | \$ 193,649 |
| | | | |
| | TOTAL ASSETS | \$ 250,934 | \$ 444,827 |

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

| Acct No. | LIABILITIES | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|-------------|---|------------------------------------|------------------------------|
| | | | |
| | CURRENT LIABILITIES | | |
| 231 | Accounts payable | \$ 1,387 | \$ 87 |
| 232 | Notes Payable (Current Portion) | 0 | 0 |
| 235 | Customer Deposits | 0 | 0 |
| 236 | Accrued Taxes | 0 | 0 |
| 237 | Accrued Interest | 0 | 0 |
| 241 | Miscellaneous Current and Accrued Liabilities | 0 | 0 |
| 253 | Other Deferred Credits | 0 | 0 |
| | TOTAL CURRENT LIABILITIES | \$ 1,387 | \$ 87 |
| | | | |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Other Long-Term Debt | \$ 0 | \$ 0 |
| | | | |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | \$ 0 | \$ 0 |
| 252 | Advances in Aid of Construction | 0 | 0 |
| 255 | Accumulated Deferred Investment Tax Credits | 0 | 0 |
| 271 | Contributions in Aid of Construction | 0 | 0 |
| 272 | Less: Amortization of Contributions | 0 | 500,500 |
| 281 | Accumulated Deferred Income Taxes | 0 | 0 |
| | TOTAL DEFERRED CREDITS | \$ 0 | \$ 500,500 |
| | | | |
| | TOTAL LIABILITIES | \$ 1,387 | \$ 500,587 |
| | | | |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ 10 | \$ 10 |
| 211 | Paid in Capital in Excess of Par Value | 249,620 | (55,480) |
| 215 | Retained Earnings | (83) | (290) |
| 218 | Proprietary Capital (Sole Props and Partnerships) | 0 | 0 |
| | TOTAL CAPITAL | \$ 249,547 | (\$ 55,760) |
| | | | |
| | TOTAL LIABILITIES AND CAPITAL | \$ 250,934 | \$ 444,827 |

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|--------------|--|----------------|-----------------|
| 521 | Flat Rate Revenues | \$ 0 | \$ 0 |
| 522 | Measured Revenues | 0 | 0 |
| 536 | Other Wastewater Revenues | 0 | 0 |
| | TOTAL REVENUES | \$ 0 | \$ 0 |
| | | | |
| | OPERATING EXPENSES | | |
| 701 | Salaries and Wages | \$ 0 | \$ 0 |
| 710 | Purchased Wastewater Treatment | 0 | 0 |
| 711 | Sludge Removal Expense | 0 | 0 |
| 715 | Purchased Power | 0 | 0 |
| 716 | Fuel for Power Production | 0 | 0 |
| 718 | Chemicals | 0 | 0 |
| 720 | Materials and Supplies | 0 | 0 |
| 721 | Office Expense | 0 | 0 |
| 731 | Contractual Services – Professional | 0 | 266 |
| 735 | Contractual Services – Testing | 0 | 0 |
| 736 | Contractual Services – Other | 0 | 0 |
| 740 | Rents | 0 | 0 |
| 750 | Transportation Expense | 0 | 0 |
| 755 | Insurance Expense | 0 | 0 |
| 765 | Regulatory Commission Expense | 0 | 0 |
| 775 | Miscellaneous Expense | 0 | 0 |
| 403 | Depreciation Expense | 0 | 0 |
| 403 | Depreciation Expense – Amortization CIAC | 0 | 0 |
| 408 | Taxes Other Than Income | 45 | 45 |
| 408.11 | Property Taxes | 0 | 0 |
| 409 | Income Taxes | (17) | (103) |
| | TOTAL OPERATING EXPENSES | \$ 28 | \$ 207 |
| | | | |
| | OTHER INCOME/EXPENSE | | |
| 419 | Interest and Dividend Income | \$ 0 | \$ 0 |
| 421 | Non-Utility Income | 0 | 0 |
| 426 | Miscellaneous Non-Utility Expenses | 0 | 0 |
| 427 | Interest Expense | 0 | 0 |
| | TOTAL OTHER INCOME/EXPENSE | \$ 0 | \$ 0 |
| | | | |
| | NET INCOME/(LOSS) | (\$ 28) | (\$ 207) |

COMPANY NAME: GLOBAL WATER - PICACHO COVE UTILITIES COMPANY

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|---------|---------|---------|---------|
| Date Issued | | | | |
| Source of Loan | | | | |
| ACC Decision No. | | | | |
| Reason for Loan | | | | |
| Dollar Amount Issued | \$ | \$ | \$ | \$ |
| Amount Outstanding | \$ | \$ | \$ | \$ |
| Date of Maturity | | | | |
| Interest Rate | % | % | % | % |
| Current Year Interest | \$ | \$ | \$ | \$ |
| Current Year Principle | \$ | \$ | \$ | \$ |

| | | |
|---|-----|--|
| COMPANY NAME: GLOBAL WATER – PICACHO COVE UTILITIES COMPANY | | |
| Name of System: | N/A | Wastewater Inventory Number (if applicable): |

WASTEWATER COMPANY PLANT DESCRIPTION
TREATMENT FACILITY

| | |
|---|-----|
| TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.) | N/A |
| DESIGN CAPACITY OF PLANT (Gallons Per Day) | |

LIFT STATION FACILITIES

| Location | Quantity of Pumps | Horsepower Per Pump | Capacity Per Pump (GPM) | Wet Well Capacity (gals) |
|----------|-------------------|---------------------|-------------------------|--------------------------|
| N/A | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

FORCE MAINS

| Size | Material | Length (Feet) |
|--------|----------|---------------|
| 4-inch | | |
| 6-inch | | |
| | | |
| | | |

MANHOLES

| Type | Quantity |
|----------|----------|
| Standard | |
| Drop | |
| | |

CLEANOUTS

| Quantity |
|----------|
| |
| |
| |

Note: If you are filing for more than one system, please provide separate sheets for each system.

| | | |
|---|-----|--|
| COMPANY NAME: GLOBAL WATER – PICACHO COVE UTILITIES COMPANY | | |
| Name of System: | N/A | Wastewater Inventory Number (if applicable): |

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)

COLLECTION MAINS

SERVICES

| Size (in inches) | Material | Length (in feet) | Size (in inches) | Material | Quantity |
|---------------------|----------|---------------------|---------------------|----------|----------|
| 4 | | | 4 | | |
| 6 | | | 6 | | |
| 8 | | | 8 | | |
| 10 | | | 12 | | |
| 12 | | | 15 | | |
| 15 | | | | | |
| 18 | | | | | |
| 21 | | | | | |
| 24 | | | | | |
| 30 | | | | | |
| | | | | | |

**FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY
PER WASTEWATER SYSTEM**

| | |
|---|-----|
| SOLIDS PROCESSING AND HANDLING FACILITIES | N/A |
| DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.) | N/A |
| FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.) | N/A |
| STRUCTURES (Buildings, Fences, Etc.) | N/A |
| OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.) | N/A |

Note: If you are filing for more than one system, please provide separate sheets for each system.

| | | |
|---|-----|--|
| COMPANY NAME: GLOBAL WATER – PICACHO COVE UTILITIES COMPANY | | |
| Name of System: | N/A | Wastewater Inventory Number (if applicable): |

WASTEWATER FLOWS

| MONTH/YEAR (Most Recent 12 Months) | NUMBER OF SERVICES | TOTAL MONTHLY SEWAGE FLOW | SEWAGE FLOW ON PEAK DAY |
|---------------------------------------|-----------------------|------------------------------|----------------------------|
| January | | | |
| February | | | |
| March | | | |
| April | | | |
| May | | | |
| June | | | |
| July | | | |
| August | | | |
| September | | | |
| October | | | |
| November | | | |
| December | | | |

**PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE
PER WASTEWATER SYSTEM**

| | |
|--|-----|
| Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.) | N/A |
| Groundwater Permit Number | N/A |
| ADEQ Aquifer Protection Permit Number | N/A |
| ADEQ Reuse Permit Number | N/A |
| EPA NPDES Permit Number | N/A |

Note: If you are filing for more than one system, please provide separate sheets for each system.

| | |
|---|---|
| COMPANY NAME: GLOBAL WATER – PICACHO COVE UTILITIES COMPANY | |
| Name of System: NA | Wastewater Inventory Number (if applicable): NA |

UTILITY SHUTOFFS / DISCONNECTS

| MONTH | | Termination without Notice R14-2- 609.B | Termination with Notice R14-2- 609.C | OTHER |
|-----------|--|--|---|-------|
| JANUARY | | | | |
| FEBRUARY | | | | |
| MARCH | | | | |
| APRIL | | | | |
| MAY | | | | |
| JUNE | | | | |
| JULY | | | | |
| AUGUST | | | | |
| SEPTEMBER | | | | |
| OCTOBER | | | | |
| NOVEMBER | | | | |
| DECEMBER | | | | |
| TOTALS → | | | | |

OTHER (description):

There are currently no customers within this system.

COMPANY NAME: GLOBAL WATER – PICACHO COVE UTILITIES COMPANY
YEAR ENDING 12/31/2010

INCOME TAXES

For this reporting period, provide the following:

| | |
|--|------------------------|
| Federal Taxable Income Reported | <u>(\$ 311)</u> |
| Estimated or Actual Federal Tax Liability | <u>\$ 0</u> |

| | |
|--|------------------------|
| State Taxable Income Reported | <u>(\$ 311)</u> |
| Estimated or Actual State Tax Liability | <u>\$ 0</u> |

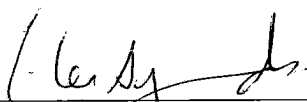
Amount of Grossed-Up Contributions/Advances:

| | |
|--|--------------------------|
| Amount of Contributions/Advances | <u>\$ 500,500</u> |
| Amount of Gross-Up Tax Collected | <u>\$ 0</u> |
| Total Grossed-Up Contributions/Advances | <u>\$ 0</u> |

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

April 15, 2011

DATE

Graham Symmonds

PRINTED NAME

CTO & SVP Regulatory Affairs & Compliance

TITLE

COMPANY NAME: GLOBAL WATER – PICACHO COVE UTILITIES COMPANY
YEAR ENDING 12/31/2010

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2010 was: \$0.00

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. Utility owns no real property

VERIFICATION AND SWORN STATEMENT

Taxes

RECEIVED

RECEIVED

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA Maricopa

I, THE UNDERSIGNED Graham Symmonds, CTO & SVP Regulatory Affairs & Compliance
OF THE Global Water – Picacho Cove Utilities Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| MONTH | DAY | YEAR |
|-------|-----|------|
| 12 | 31 | 2010 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

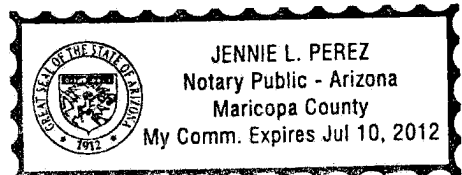

SIGNATURE OF OWNER OR OFFICIAL

623-580-9600
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME JENNIE L PEREZ

A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA

THIS 15 DAY OF APRIL, 2011.




SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 7/10/2012

VERIFICATION AND SWORN STATEMENT

Intrastate Revenues Only

RECEIVED

APR 17 2011
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA Maricopa

I, THE UNDERSIGNED Graham Symmonds, CTO & SVP Regulatory Affairs & Compliance

OF THE Global Water – Picacho Cove Utilities Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| MONTH | DAY | YEAR |
|-------|-----|------|
| 12 | 31 | 2010 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

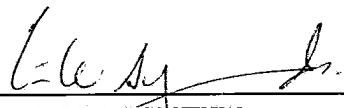
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 0.00

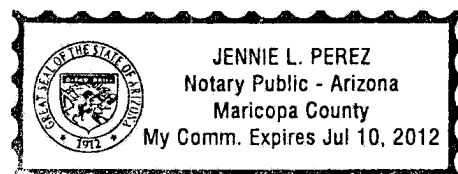
(THE AMOUNT IN BOX ABOVE
INCLUDES \$0.00 IN SALES TAXES BILLED, OR
COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL

623-580-9600
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME JENNIE L PEREZ
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15 DAY OF APRIL, 2011.



MY COMMISSION EXPIRES 7/10/2012


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION AND SWORN STATEMENT
RESIDENTIAL REVENUE**

INTRASTATE REVENUES ONLY

RECEIVED
APR 15 2011
ACC. UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA Maricopa

I, THE UNDERSIGNED Graham Symmonds, CTO & SVP Regulatory Affairs & Compliance

OF THE Global Water – Picacho Cove Utilities Company, Inc.

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2010 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 0.00

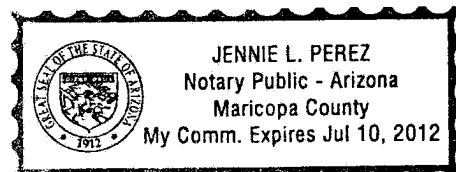
**(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 0.00
IN SALES TAXES BILLED, OR COLLECTED)**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

623-580-9600
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME JENNIE L PEREZ
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15 DAY OF APRIL, 2011.**



MY COMMISSION EXPIRES 7/10/2012


SIGNATURE OF NOTARY PUBLIC